



GAIL FARBER, Director

COUNTY OF LOS ANGELES DEPARTMENT OF PUBLIC WORKS

"To Enrich Lives Through Effective and Caring Service"

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ADDRESS ALL CORRESPONDENCE TO:
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ALHAMBRA, CALIFORNIA 91802-1460

September 02, 2014

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Supervisors:

ADOPTED

BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

21 September 2, 2014

Sachi A. Hamai
SACHI A. HAMAI
EXECUTIVE OFFICER

**FIND CONTRACTOR IN DEFAULT
WALNUT PARK COMMUNITY MONUMENT SIGNS
IN THE UNINCORPORATED COMMUNITY OF WALNUT PARK
(SUPERVISORIAL DISTRICT 1)
(3 VOTES)**

SUBJECT

This action is to find the contractor, Y&M Construction, Inc., in default of the contract; authorize the Director of Public Works or her designee to terminate Y&M Construction, Inc.'s right to perform under the contract; serve written notice on the project surety, American Safety Casualty Insurance Company to complete the work of the contract; and to enter into an agreement with American Safety Casualty Insurance Company for the completion of the work of this contract.

IT IS RECOMMENDED THAT THE BOARD:

Find the contractor, Y&M Construction, Inc., in default of the contract; authorize the Director of Public Works or her designee to terminate Y&M Construction, Inc.'s right to perform under the contract and serve written notice on the project surety, American Safety Casualty Insurance Company, to complete the work of the contract and to enter into an agreement with American Safety Casualty Insurance Company for the completion of the work of this contract.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

On April 2, 2013, the Board awarded a contract to Y&M Construction, Inc., for the construction of four community monuments. The term of the contract was 45 working days. American Safety Casualty Insurance Company furnished the contractually required payment and performance bonds for 100 percent of the contract amount.

On December 11, 2013, Y&M started the construction work and to date has completed approximately 70 percent of the work; although, there are deficiencies remaining in the work performed to date. On July 9, 2014, Y&M notified the Department of Public Works that Y&M's contractor's license was suspended by the Contractors State Licensing Board because of unpaid civil judgments and Y&M had not performed any work at the project site since June 24, 2014, and would not perform any further work. On July 17, 2014, Y&M signed a letter consenting to the Termination for default notifying Public Works that Y&M voluntarily abandoned and consented to the termination of its contract.

Public Works recommends that the Board find Y&M in default of the contract and authorize the Director of Public Works or her designee to: (1) terminate Y&M's right to perform under the contract, pursuant to paragraph 11 of the contract (termination for default); (2) serve written notice on American Safety that it is obligated to complete of the work of this contract pursuant to its bond; and (3) enter into an agreement with American Safety to take over and complete the work of this contract.

Implementation of Strategic Plan Goals

The Countywide Strategic Plan directs the provisions of Operational Effectiveness/Fiscal Sustainability (Goal 1). The recommended action will provide for completion of the work at no additional cost to Public Works except for minimal administrative expenses.

FISCAL IMPACT/FINANCING

There will be no impact to the County General Fund.

There will be minimal fiscal impact as the surety will assume responsibility for completing the work of the contract for the original contract price.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The contract provides for termination of Y&M's right to perform if the contractor fails to prosecute the work; to provide workers, materials, or equipment to complete the work; or fails to promptly pay its subcontractors, employees, and material suppliers.

Daily work records show that Y&M ceased working at the project site as of June 24, 2014. On July 17, 2014, Y&M notified Public Works that it voluntarily abandoned and terminated the contract.

ENVIRONMENTAL DOCUMENTATION

On January 8, 2013, Agenda Item 24, the Board found this project to be categorically exempt from the provisions of the California Environmental Quality Act.

CONTRACTING PROCESS

In accordance with the project's performance bond requirements, the surety is obligated to step in and complete the work.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

It is not anticipated the recommended action will have a significant impact on area residents or motorists. When the project is completed, it will have a positive impact by providing aesthetically pleasing community monuments for the Walnut Park community residents and visitors.

CONCLUSION

Please return one adopted copy of this letter to the Department of Public Works, Construction Division.

Respectfully submitted,

A handwritten signature in black ink that reads "Gail Farber". The script is cursive and fluid.

GAIL FARBER

Director

GF:JTS:lg

c: Chief Executive Office (Rita Robinson)
County Counsel
Executive Office
Internal Services Department (Countywide
Contract Compliance)